



Transaction Capital Limited
Human Rights Policy

Approved by the Board of Directors on 5 March 2021

Effective from 5 March 2021

ENQUIRIES:

Company Secretary



Transaction Capital

1. Our Policy and Strategy on Human Rights

- 1.1. Respect for Human Rights is a fundamental value for Transaction Capital, and we strive to protect and promote Human Rights in accordance with the United Nations Guiding Principles on Business and Human Rights in our relationships with our employees, suppliers, funders and customers. We understand that while it is the role of government in each country to protect human rights through adequate laws and policies, as a good corporate citizen, we play a constructive role by identifying our own impact and taking intentional steps to protect and promote Human Rights and to prevent Human Rights violations.
- 1.2. Transaction Capital actively identifies and invests in alternative asset classes, in which our best-in-class technology, proprietary data and analytics capabilities enable us to generate outstanding returns. This extends to operating unique, high-potential businesses in market sectors where historically low levels of stakeholder trust provide compelling opportunities for disruption. We partner with expert, entrepreneurial and co-invested management teams to scale, grow and position these highly specialised, digitally advantaged and vertically integrated businesses to offer market-leading value propositions. Our diversified businesses are strategically relevant, operationally resilient and robustly governed, which underpin their ability to respond effectively and ethically to complex market dynamics. As trusted partners, they support their clients' commercial viability and collaborate with their stakeholders to drive meaningful, long-term socioeconomic impact. This enhances their growth, risk and sustainability profiles and secures the group's ability to consistently deliver exceptional shared value outcomes. Guided by its social impact philosophy to purpose driven goals, we are committed to protecting and promoting Human Rights throughout our value chain, and we will not do business with anyone that does not share our value of upholding Human Rights.
- 1.3. This policy applies to Transaction Capital, the entities that we own, the entities in which we hold a majority interest, the entities that we control, and any business that we manage. We expect our employees and management to comply with this policy. Any failure to comply with this policy will result in disciplinary action. We also expect our suppliers to respect and uphold the principles set-out in this policy. Should we become aware of a Human Rights violation by a supplier, we will review the circumstances and work towards remediation of Human Rights protection, promotion, and non-violation. Failure by the supplier to remediate any material issues of concern will result in the immediate review of our continued business relationship.
- 1.4. While we recognize that it is the responsibility of each of our funders and customers to define their own policy and approach to the issue of Human Rights, we believe these relationships provide us with an opportunity to promote Human Rights. In our funder and customer relationships we seek to incorporate respect for Human Rights and demonstrate a commitment to fundamental principles of Human Rights through our own behavior.
- 1.5. This Human Rights Policy is overseen by Transaction Capital's Board of Directors, including the Group Chief Executive Officer ("**CEO**") and divisional CEOs, to ensure that the principles in this policy are designed, driven and embedded from the top of the business. The Board and CEOs are committed to the principles laid out in this policy, and they will actively lead Transaction Capital's approach to Human Rights.

2. Our Guiding Principles for Human Rights

- 2.1. Transaction Capital complies with applicable international and local legal requirements in the countries in which we operate. Where local laws conflict with the principles contained in this policy, we will comply with local legal requirements while, at the same time, seeking ways to uphold the principles in this policy.
- 2.2. The principles laid out in this policy are guided by the following:
 - ▷ The United Nations Global Compact's Ten Principles, particularly those detailed more fully below.
 - ▷ The international human rights principles encompassed by the Universal Declaration of Human Rights, including those contained within the International Bill of Rights.
 - ▷ The International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work.
 - ▷ Given that Transaction Capital is headquartered and largely operates in South Africa, the South African Constitution and the Bill of Rights contained in the Constitution.

- 2.3. The United Nations Global Compact's Ten Principles are particularly important. Principles 1 and 2 address Human Rights and Principles 3 to 6 address Labour. The relevant principles on Human Rights are as follows:
 - 2.3.1. Principle 1 – Businesses should support, respect and protect internationally proclaimed Human Rights; and
 - 2.3.2. Principle 2 – Ensure that they are not complicit in Human Rights abuses.
- 2.4. The relevant principles of the United Nations Global Compact's Ten Principles that deal with labour are as follows:
 - 2.4.1. Principle 3 – Business should uphold freedom of association and effective recognition of the right to collective bargaining;
 - 2.4.2. Principle 4 – Eliminate all forms of forced and compulsory labour;
 - 2.4.3. Principle 5 – Ensure the effective abolition of child labour in their operations; and
 - 2.4.4. Principle 6 – Eliminate discrimination in respect of employment and occupation.

3. Our approach to Human Rights

- 3.1. Transaction Capital seeks to respect, uphold, protect and promote all internationally recognized Human Rights based on the above Guiding Principles. However, our more specific approach to certain Human Rights is set out in detail below.

3.2. FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

- 3.2.1. At Transaction Capital, we aim to foster open engagement with our employees and to resolve challenges through direct engagement between management and employees. Nevertheless we respect our employees' right to join, form or not to join a labour union without fear of reprisal, intimidation or harassment. If any employees seek to engage with us through a legally recognized labour union, we are committed to establishing a constructive dialogue with their chosen representatives in accordance with local legal provisions.

3.3. FORCED LABOUR

- 3.3.1. Forced labour is defined by the United Nations as follows:

"Forced or compulsory labour is any work or service that is exacted from any person under the menace of any penalty, and for which that person has not offered himself or herself voluntarily. Providing wages or other compensation to a worker does not necessarily indicate that the labour is not forced or compulsory. By right, labour should be freely given and employees should be free to leave in accordance with established rules."
- 3.3.2. At Transaction Capital, we recognize that forced labour can take a number of forms including, but not limited to slavery, bonded labour or debt bondage, child labour, physical abduction or kidnapping, the sale of ownership of a natural person, physical confinement in a workplace, the use of prisoners to replace ordinary employees, exploitative practices including forced overtime, keeping financial or personal documents as a deposit for employment, any form of violence to keep someone in forced labour, unwarranted full or partial restriction of freedom of movement, and unlawful withholding and non-payment of wages.
- 3.3.3. We prohibit the use of all forms of forced labour, and we will not be complicit in perpetuating any forced labour. To entrench these principles, we are committed to the following:
 - 3.3.3.1. Taking reasonable steps to educate employees on what constitutes forced labour;
 - 3.3.3.2. Where the local legal requirements of a country are insufficient, we will apply international standards and our own principles;
 - 3.3.3.3. Make employment contracts available to all employees to ensure that they can easily access their terms of employment;
 - 3.3.3.4. Discouraging suppliers from charging recruitment fees for employees – **Note:** The International Labour Organization ("**ILO**") defines recruitment fees as any fees incurred in the recruitment process for workers to secure employment or placement. The general principle propagated by the ILO is that employees should not have to pay an employer to secure a job or access to employment as this may make employees vulnerable to exploitation;
 - 3.3.3.5. Being aware of countries, regions, industries and sectors, where forced labour is more likely to be a practice. If we do business in these countries, regions, industries and sectors, we will consider implementing enhanced measures to mitigate the risks;
 - 3.3.3.6. Not hiring prisoners for work in or outside prisons; and
 - 3.3.3.7. Carefully monitor supply chains and subcontracting arrangements.

3.4. CHILD LABOUR

- 3.4.1. Child labour is a form of exploitation that is a violation of Human Rights. It should not be confused with Youth or Student Employment, which involves acceptable work for children under the age of 18 based on their stages of development. Transaction Capital fully supports youth development, and where appropriate (based on careful consideration by our qualified Human Resources practitioners), we will provide opportunities for Youth or Student Employment.
- 3.4.2. In each country where we operate, we will be guided by local legal requirements to determine the minimum age for admission to employment and any other restrictions on the type of work that may be performed based on age. We will also be guided by the following ILO conventions – Minimum Age Convention No. 138 and the Worst Forms of Child Labour Convention No. 182.
- 3.4.3. We prohibit the use of all forms of child labour, and we will not be complicit in perpetuating any child labour. To entrench these principles, we are committed to the following:
- 3.4.3.1. Adhere to minimum age provisions of local legal requirements and where the local legal requirements of a country are insufficient, we will apply international standards and our own principles;
- 3.4.3.2. Use adequate and verifiable mechanisms for age verification in recruitment processes;
- 3.4.3.3. Avoid having a blanket policy against hiring children under the age of 18, but rather to have a tailored approach based on local legal requirements to ensure that we support Youth or Student Employment where appropriate;
- 3.4.3.4. When children below the legal working age are found in the workplace, take measures to remove them from work;
- 3.4.3.5. Exercise influence on suppliers, funders and customers to combat child labour; and
- 3.4.3.6. Being aware of countries, regions, industries and sectors, where child labour is more likely to be a practice. If we do business in these countries, regions, industries and sectors, we will consider implementing enhanced measures to mitigate the risks.
- 3.4.4. If at any stage you are not sure whether a practice constitutes child labour, you should contact your relevant Human Resources function for guidance.

3.5. DIVERSITY AND INCLUSION

- 3.5.1. At Transaction Capital, we value and advance the diversity and inclusion of the people with whom we work. We are committed to equal opportunity and are intolerant of discrimination in employment. Discrimination in employment means treating people differently or less favourably because of arbitrary characteristics that are not related to merit or the requirements of the job. These characteristics include, but are not limited to, the following: race, sex, gender, pregnancy, gender identity or expression, colour, creed, religion, national origin, ethnicity, nationality, citizenship, age, physical appearance, physical or mental disability or medical condition.
- 3.5.2. In line with the above, at Transaction Capital we are particularly committed to equal pay for equal work, and we will actively monitor the gender pay gap and put in place measures to address any gender pay gap.
- 3.5.3. Notwithstanding the above commitments, there may be special circumstances where different treatment is not only the right thing to do, but also a legal requirement in a country where we operate. For example, in South Africa Black Economic Empowerment (“**BEE**”) has been entrenched in various local legal requirements to address the racial inequality that was created by the Apartheid regime. These laws aim at creating a more representative distribution of wealth and employment opportunities for racial groups that were prejudiced and disadvantaged in the past. Transaction Capital is firmly committed to addressing these inequalities and promoting BEE in South Africa.

3.6. HEALTHY AND SAFE WORKPLACE

- 3.6.1. Transaction Capital values the safety and health of our employees, and undertakes to, as far as reasonably practicable, provide a safe workplace that does not expose employees to unacceptable levels of risk to their safety and health. We take an active approach to health and safety and we implement appropriate controls based on local legal requirements and our commitment to promote the safety and health of employees. Whilst the measures taken in our divisions and in different countries will be different, the measures will typically include (but not necessarily be limited to) the following:
- 3.6.1.1. Appointing people who are responsible for ensuring the safety and health of employees in workplaces;
- 3.6.1.2. Conducting risk assessments to identify risks to the safety and health of employees, and to ensure that the controls put in place adequately address these risks;
- 3.6.1.3. Implementing policies and procedures that promote the safety and health of employees;
- 3.6.1.4. Providing employees with the personal protective equipment and other resources that are reasonably required to protect their safety and health;
- 3.6.1.5. Providing health and safety training to employees and communicating key rules and requirements to employees through other means where training is not reasonably practicable.

4. Our Human Rights Controls

4.1. Transaction Capital has implemented practical controls to support its policy position of respecting, upholding, protecting and promoting Human Rights. The key controls are detailed more fully below.

4.2. TONE FROM THE TOP

4.2.1. As indicated above, the Board, Group CEO and divisional CEOs are committed to the principles laid out in this policy, and they will actively lead Transaction Capital's approach to Human Rights. They will oversee this policy and its implementation.

4.2.2. The Board, Group CEO and divisional CEOs will seek to set the tone from the top and lead by example by respecting, upholding, protecting and promoting Human Rights through their behavior, and by making key decisions in alignment with the principles set out in this policy.

4.3. HUMAN RIGHTS ASSESSMENT IN RESPECT OF SERVICES AND PRODUCTS

4.3.1. As detailed above, Transaction Capital actively identifies and invests in alternative asset classes, in which our best-in-class technology, proprietary data and analytics capabilities enable us to generate outstanding returns. Our divisions provide products and services that deliver social value and directly influence socioeconomic dynamics. As part of its broader due diligence process, Transaction Capital will endeavor to conduct scoping exercises from time to time, with an aim of identifying potential adverse Human Rights impacts that may be caused by, contributed to or directly linked to our products and services. These steps may involve engaging with potentially affected stakeholders.

4.3.2. Pursuant to the above, Transaction Capital will ensure that all new products and services offered consider Human Rights principles.

4.4. HUMAN RIGHTS DUE DILIGENCE

4.4.1. Transaction Capital has a Compliance Due Diligence Policy which is being rolled out across the group and which details the steps that are required to be taken when Transaction Capital enters new business and employment relationships, and in respect of ongoing relationships. Assessing Human Rights risks (particularly adverse Human Rights impacts) has been embedded into our approach to compliance due diligence to ensure that Transaction Capital can prevent or mitigate potential adverse Human Rights impacts in our operations and business relationships.

4.4.2. Pursuant to the above, before Transaction Capital enters a new business or employment relationship, we will endeavor to conduct reasonably practicable checks of publicly available information to assess whether a company or the people that run or own the company have a track record of perpetrating or supporting the abuse of any Human Rights. These checks form part of the adverse media checks that we perform as part of our compliance and governance processes. Where any adverse information concerning any actual or alleged Human Rights abuses (or support for such abuses) is picked-up about a company or persons associated to a company, we will take steps to further interrogate the information and assess the impact on our potential or ongoing business relationship with the company or person concerned. These steps may involve engaging with the third party to obtain more information, and the steps may involve engaging third party experts to advise and guide us on appropriate steps.

4.4.3. Where adverse information is picked-up as detailed above, the information and further assessment will be documented and submitted to the Social and Ethics Committee of Transaction Capital. A new or ongoing relationship with a third party may only proceed/ continue if approved by the Social and Ethics Committee.

4.5. COMMITMENT TO HUMAN RIGHTS IN CONTRACTS

- 4.5.1. As indicated above, Transaction Capital expects employees and management to comply with this policy. We will generally seek to include appropriate clauses in contracts that require employees to respect Human Rights and comply with this policy. As indicated above, we also expect our suppliers to respect and uphold the principles set-out in this policy. In supplier contracts, we seek to include clauses that contain appropriate Human Rights related obligations (such as an undertaking to refrain from violating Human Rights). Whilst these clauses will not necessarily appear in historical contracts, we still expect employees and suppliers to share our principles detailed in this policy.
- 4.5.2. As also indicated above, Transaction Capital believes that its relationships with funders and customers creates an opportunity to promote Human Rights. Whilst we will not always be able to determine the terms of the contracts with our funders and customers, as far as reasonably practicable, we will seek to incorporate contractual terms that address the following (in principle):
- 4.5.2.1. Express a commitment by our funders and customers to respect Human Rights and comply with applicable Human Rights laws;
- 4.5.2.2. Warrant that any funding provided to Transaction Capital from a funder has not been derived through any known Human Rights abuses;
- 4.5.2.3. Require a customer that receives funding from Transaction Capital to refrain from using any funds provided to perpetrate or support any Human Rights abuses.
- 4.5.3. The wording of specific contractual clauses will differ and be tailored based on the nature of the agreements and the negotiations with the relevant counterparty. If you are an employee and you require guidance on the clauses to be included, you are required to contact the relevant legal department.

4.6. TRAINING AND COMMUNICATION IN RESPECT OF HUMAN RIGHTS

- 4.6.1. This policy will be made available on the website of Transaction Capital. Employees may nevertheless request a copy of this policy from Transaction Capital's company secretary.
- 4.6.2. To ensure proper understanding of this policy by employees, Transaction Capital will implement training and/or communication campaigns from time to time that are designed to convey the key principles and aspects of this policy to employees.
- 4.6.3. Any employee, supplier or other person that has any questions or queries in relation to this policy is encouraged to contact Transaction Capital's group ethics manager at phumelelez@transactioncapital.co.za, who will endeavor to provide guidance and direction.

4.7. WHISTLEBLOWING SYSTEM

- 4.7.1. Transaction Capital has a Whistleblowing system in place that enables people inside and outside the organization to raise concerns about potential Human Rights violations and/or adverse impact. The Whistleblowing system is explained in the separate Whistleblowing Policy of Transaction Capital. A copy of this policy may be requested from Transaction Capital's group ethics manager.
- 4.7.2. If an employee, supplier, funder, customer or other stakeholder has a concern that there has been a breach of this policy, they are encouraged to consult the Whistleblowing Policy to understand the channels that can be used to report the concern and what will be done when a concern has been reported. Transaction Capital takes concerns about policy breaches and potential Human Rights violations and/or adverse impacts seriously and it will ensure that concerns are properly considered and investigated (where appropriate).

4.8. ONGOING MONITORING AND IMPROVEMENT

- 4.8.1. Transaction Capital will implement *ad hoc* reviews, at least once every two years on a rolling basis, of this policy, and where required, the Social and Ethics Committee may implement formal reviews of the Group's Human Rights impacts to determine whether the measures implemented remain appropriate or need to be enhanced.
- 4.8.2. Where any adverse impact on Human Rights is identified in the operations of Transaction Capital, these impacts must be brought to the attention of the Social and Ethics Committee and the committee will devise appropriate remediation measures to be implemented as soon as reasonably practicable.
- 4.8.3. In addition, the Internal Audit functions of Transaction Capital's division will include specific audit procedures to test compliance with this policy from time to time.

DEFINITIONS

TERMS	MEANING
Adverse Human Rights impact	Means any harm through acts or omissions in business operations which amount to a failure to respect Human Rights, against any person or group of persons, individually or collectively, including physical or mental injury, emotional suffering, economic loss or substantial impairment of their Human Rights
Employee/s	All Transaction Capital employees working at all levels and grades (whether permanent, fixed-term or temporary), including directors, senior managers, officers, trainees, seconded staff, casual staff, agency staff, volunteers and interns or any other person associated with Transaction Capital
Group Company	Any company that forms part of the Transaction Capital Group from time to time
Human Rights	Means human rights as defined and recognized in the Guiding Principles listed in paragraph 2 of this policy
Transaction Capital	Any reference to Transaction Capital should be read as including all entities in the Transaction Capital Group
Transaction Capital Group	Transaction Capital Limited and any entity, the financial results of which are, or are required to be, partially or wholly consolidated in Transaction Capital Limited's annual financial statements from time to time in accordance with Transaction Capital Limited's accounting policies